

FIG. 1

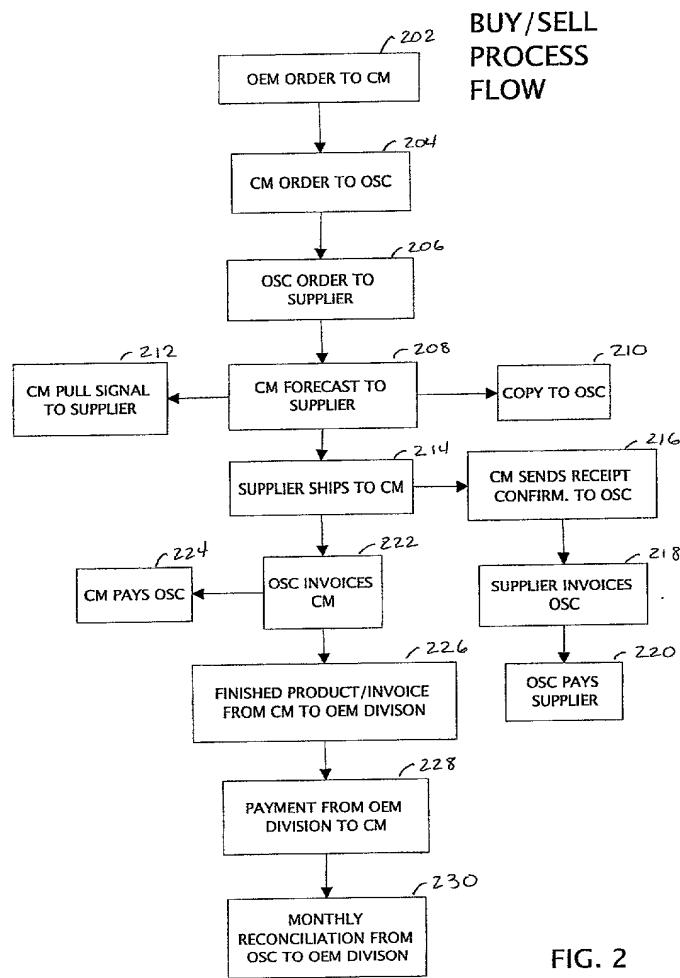


FIG. 2

Exception Approval Form

Request Date:	Program Name:	BoM Assembly #:																																																																											
Division:	Prog. Volumes:	Commodity:																																																																											
OEM P/Ns: Usage / Card: OEM contract #: CM price: Savings / Card: Component Suppliers:																																																																													
Indicate the exception Logistic in the space provided for the commodity involved.																																																																													
Mark off the CM awarded below and list the specific CM location.																																																																													
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Exception Business Case: _____ _____ _____ Action: _____ _____ _____ Approval Signature DATE																																																																													

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FIG. 3

Exception Flow Guidelines

Preferred Sourcing Logistic	Existing CM			New CM (proj. savings/yr)
	Existing Supplier (proj. savings/yr)	New Supplier (proj. savings/yr)		
CM Direct Buy w/ OEM Benchmark	N/A	N/A		N/A
OEM Directed Sourcing	N/A	No Limit by P/N Total Savings w/ Supplier > \$50K	No Limit by P/N Total Savings w/ CM > \$100K	
OEM Buy / Sell	\$10K per P/N Total Savings w/ Supplier > \$100K	\$10K per P/N Total Savings w/ CM > \$250K	\$10K per P/N Total Savings w/ CM > \$250K	

FIG. 4

Cost Drivers

Sourcing Directive	New Suppliers	New CM
OEM Directed Sourcing	- RFQ / Contract	- Order Book Link - DCF
OEM Buy / Sell	- EDI - VMI	- EDI - VMI - A/R

FIG. 5